WHAT IS CLAIMED IS:

1. A check transaction processing system using a customer's checking account identification number as a unique customer identification code ("check ID") comprising:

a transaction processor for processing check transactions for a store, and for storing a customer database, including customer records, for that store;

each customer record being uniquely identified by the customer's check ID, and including selected customer information;

said customer information including check verification status information such that a customer is assigned one of the following check verification status values:

POSITIVE -- the customer's check transaction history meets preselected positive criteria for authorizing the check transaction;

NEGATIVE -- the customer's check transaction history meets preselected negative criteria for not authorizing the check transaction; or

CAUTION -- the customer's check transaction history meets neither the positive or negative criteria, so that authorization of the check transaction depends upon predetermined interim criteria.

said customer information including check transaction data about the customer's check transaction history (including frequency and dollar volume over

selected intervals), which is updated for each check transaction to reflect the current check transaction.

at least one transaction terminal located at a point-of-sale and remotely coupled to said transaction processor for transmitting customer information requests to, and receiving customer information responses from, said transaction processor;

each customer information request including the customer's check ID and a function code identifying the information requested;

one of the customer-information-request function codes designating a check transaction verification function in which the corresponding customer information response is used for check transaction authorization.

said transaction processor processing each customer information request by:

retreiving the corresponding customer record, if it exists in the customer database; and

generating a customer information response in accordance with the function code in the customer information request, reflecting either the customer information in the customer record, or the absence of such a customer record in the customer database.

2. The check transaction processing system defined in Claim 1, wherein:

the CAUTION status designates an interim status after the customer's first check transaction, which lasts for a period of time defined by a CAUTION/POSITIVE limit;

the CAUTION status being automatically changed to a POSITIVE status upon the occurrence of preselected CAUTION/POSITIVE criteria.

3. The check transaction processing system defined in Claim 2, wherein if a check transaction meets preselected transactional criteria based on the customer's check transaction history, the response to a customer information request for check verification is a conditional response, regardless of the check verification status indicated in the customer record.

4. The check transaction processing system defined in Claim 3, wherein said predetermined CAUTION/POSITIVE criteria comprises no bad checks being received for the customer during said CAUTION/POSITIVE period.

5. The check transaction processing system defined in Claim 4, wherein a POSITIVE status is automatically changed to a CAUTION status if the transaction interval between a customer's check transactions exceeds a preselected reset/CAUTION limit.

6.   The check transaction processing system defined in Claim 5, wherein:

said transaction processor is coupled by a communications link to at least one other transaction processor in another store;

said other transaction processor processing check transactions, and storing a customer database, for such other store;

said transaction processors communicating, at preselected intervals, preselected global customer information between the stores.

15. A check verification method, comprising the steps of:

storing check transaction information relative to a plurality of customers;

said transaction information including a positive indicator indicating a customer has previously fulfilled predetermined check transaction criteria;

said check transaction information including a negative indicator indicating a customer has not successfully fulfilled said predetermined check transaction criteria;

said check transaction information further including a provisional indicator indicating insufficient data as to whether or not a customer has successfully fulfilled said predetermined check transaction criteria;

said check transaction information further including check transaction frequency and check transaction dollar amounts for a customer over selected intervals;

placing predetermined limits on check transaction frequency and dollar amounts over predetermined intervals for a customer with a positive indicator, in dependence upon the customer's continuing check transaction history;

automatically changing said indicator status for each customer in dependence upon the customer's continuing check transaction history.

add B 2 (C2)
C4 (C6)
add C8

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